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# Cotton Ginning Charges, Harvesting Practices, and Selected Marketing Costs, 1992/93 Season

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## Ginning Charges

The average charge for saw-ginning and wrapping a 480-pound net-weight bale of cotton in the United States was \$42.50 during the 1992/93 season, compared with \$42.61 per bale in 1991/92. This was the fifth consecutive season of declining average ginning charges. The lower charges in recent years reflect larger production throughout the Cotton Belt, improved average gin volumes, and the effects of relatively low inflation and interest rates. Also, the sale of cottonseed has helped boost gin revenues (fig. 1).

Average charges declined in seven States and increased in seven States. The largest drop in ginning charges occurred in Tennessee, where average charges fell by \$1.40 per bale, while Alabama experienced the largest increase with average charges up by \$3.01 per bale. For most other States, 1992/93 ginning charges remained around year-earlier levels. In Texas, where ginning charges are based primarily on the volume of seed cotton required to yield a 480-pound net weight bale, the average charge increased by \$1.16 per bale to \$50.09. Poor growing and harvesting conditions caused the volume of seed cotton required per

bale to increase about 50 pounds under the machine-stripped method of harvest to approximately 2,234 pounds.

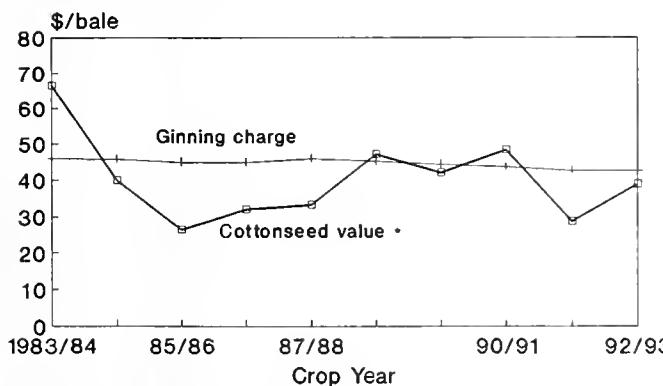
## Active Gins

There were a total of 1,383 active cotton gins operating in the 14 traditional cotton-producing States during the 1992/93 season, compared with 1,500 the previous season. In addition, four gins operated in Florida and two in Virginia. A decline in production in 1992/93 of 1.4 million bales, was primarily responsible for the unusually sharp drop in the number of gins operating during 1992/93. The largest decline in numbers occurred in Texas where 67 fewer gins operated than in the 1991/92 season. The number of gins declined in all States in 1992/93, except in Georgia, Oklahoma, and Mississippi. The average volume processed per gin was 11,340 bales in 1992/93, only 32 bales below last season, but sharply above the average of recent years (fig. 2). The increasing proportion of production ginned from modules has allowed fewer gins to process larger volumes by extending the ginning season. Gin volumes varied from a high of 25,116 bales in California to a low of 2,900 bales in New Mexico during the 1992/93 season.

## Method Of Harvesting

The proportion of the 1992/93 cotton crop harvested by the machine-picked method averaged 84 percent, an increase of 5 percentage points from the 1991/92 season. Machine-stripping, used primarily in Texas and Oklahoma, accounted for 16 percent of the overall harvested volume, compared with 21 percent in 1991/92. Lower 1992/93 production in these two States, and relatively higher production in many other States were responsible for the increase in the machine-picking share during 1992/93. Machine-scraping still accounts for less than 0.5 percent of the harvested volume, but is practiced in a number of States, especially in Arizona.

Figure 1  
Ginning charges aided by  
cottonseed values



\*Estimated 800 pounds of seed per 480-pound bale ginned.

Average charges for saw-ginned upland cotton, average charges for selected marketing services, and

Item	Unit	U.S.	AL	AZ	AR	CA
Bales ginned (running bales) 1/	Thou.	15,683	596	805	1,646	3,039
Active gins 1/	No.	1,383	68	81	121	121
Average volume per gin	Bale	11,340	8,765	9,938	13,603	25,116
Ginning and wrapping charges:						
Total charge per 480-lb. net-weight bale 2/	Dol.	42.50	38.11	41.49	36.68	46.42
Method of harvesting:						
Machine-picked	Pct.	84	100	95	100	100
Machine-stripped	Pct.	16	---	---	---	---
Machine-scrapped	Pct.	3/	3/	5	3/	3/
Weight of seed cotton per 480-lb. net-weight bale:						
Machine-picked	Lbs.	1,452	4/	1,464	1,450	1,442
Machine-stripped	Lbs.	2,233	---	---	---	---
Machine-scrapped	Lbs.	1,739	---	1,753	1,638	5/
Cotton ginned from:						
Trailers	Pct.	33	31	17	40	24
Modules	Pct.	67	69	83	60	76
Charges for warehousing and related services: 6/						
Charge per bale for receiving	Dol.	3.11	3.02	---	3.17	---
Charge per bale per month for insured storage	Dol.	1.85	1.72	2.00	1.94	1.86
Charge per bale for compressing to universal density	Dol.	7.80	7.00	6.50	8.00	6.50
Charge per bale for outhandling	Dol.	6.24	5.21	5.16	8.30	5.17

--- = Zero.

1/ Based on report of May, 1993, by National Agricultural Statistics Service, USDA, and includes 4 active gins in Florida, and 2 in Virginia. 2/ Includes bagging and ties, drying of seed cotton, to warehouses, industry organization dues, or cotton classing fees. 3/ Less than 0.5 percent. 4/



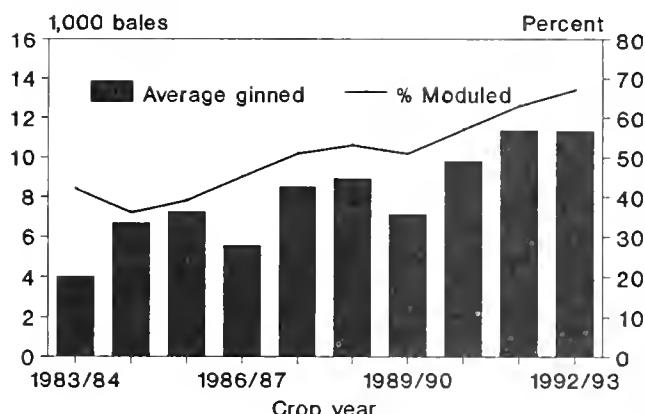
## related information, by State, 1992/93 season

GA	LA	MS	MO	NM	NC	OK	SC	TN	TX
722	1,296	2,074	530	58	461	204	212	813	3,227
59	77	181	41	20	42	64	41	62	405
12,237	16,831	11,459	12,927	2,900	10,976	3,187	5,171	13,113	7,968
42.03	36.18	36.50	38.71	56.63	50.15	52.35	46.40	32.70	50.09
100	100	99	99	94	100	20	100	100	30
---	---	---	---	6	---	80	---	3/	70
---	---	1	1	---	---	---	---	---	---
4/	1,407	4/	1,474	1,488	4/	1,593	4/	1,478	1,495
---	---	---	---	2,050	---	2,230	---	5/	2,234
---	---	---	1,625	---	---	---	---	---	---
34	51	42	34	79	57	44	77	62	14
66	49	58	66	21	43	56	23	38	86
2.91	4.03	3.76	1.52	1.84	3.41	2.25	2.66	3.55	2.57
1.64	2.07	2.02	1.91	1.73	1.48	1.78	1.51	1.96	1.68
---	7.75	8.50	7.75	7.50	---	7.75	---	8.25	8.75
4.69	8.12	8.70	8.28	4.71	3.11	4.05	3.68	8.37	4.55

th American-Pima and upland cotton. Excludes bales ginned in Florida, and Virginia, also excludes  
 cleaning, and insurance, but does not reflect any partonage dividends, rebates, transportation  
 ed cotton usually not weighed. 5/ No data available. 6/ Based on published tariffs.

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**Figure 2**  
Modules improve ginning efficiency



The use of modules as a method of temporary field storage of seed cotton continues to increase across the Cotton Belt. A record 67 percent of the 1992/93 cotton crop was ginned from modules. The remaining 33 percent was ginned from traditional seed cotton trailers (fig. 2). By State, use of modules ranged from 86 percent of the crop in Texas to 21 percent in New Mexico during 1992/93.

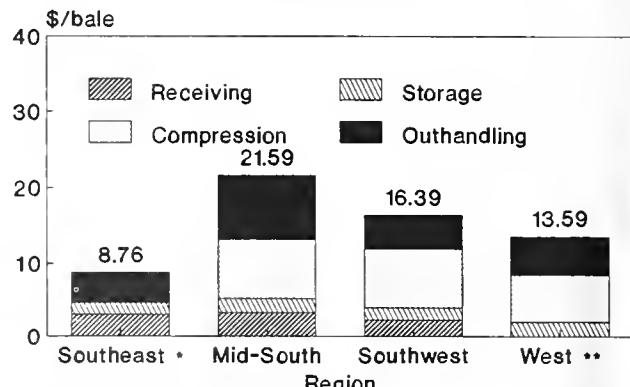
#### Pounds Of Seed Cotton Required for a 480-Pound Net-Weight Bale

The average volume of seed cotton necessary to yield a 480-pound net-weight bale for each of the three harvesting technologies changed only slightly during 1992/93 compared with last season. Under the machine-picked method of harvest, an average of 1,452 pounds of seed cotton were required, 14 pounds less than a year earlier. Cotton harvested by machine-stripping required 2,233 pounds of seed cotton to produce a 480-pound net-weight bale--48 pounds more than in 1991/92. Machine-scraping required that 1,739 pounds of seed cotton be harvested per bale ginned, compared with 1,795 pounds during 1991/92.

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**Figure 3**  
Charges for cotton warehousing services vary by region, 1992/93 season



\*Compression charges not made, except in Alabama at \$7.00 per bale.  
\*\*Receiving charges not made.

#### Selected Marketing Services

After ginning, most cotton bales are moved to local warehouses for storage and other services necessary for marketing. Universal density compression is now performed at many gins. Some bales, therefore, are shipped directly to textile mills and ports from gin points. This can result in considerable savings as warehouse charges can vary greatly by region (fig. 3).

Charges for each of the four primary warehousing services increased modestly for the 1992/93 season. Warehouse receiving charges averaged \$3.11 per bale in 1992/93, compared with \$2.88 in 1991/92. Storage charges averaged \$1.85 per bale per month, up 5 cents from the 1991/92 season average. Charges for compressing cotton to universal density increased only 3 cents per bale to an average of \$7.80 in 1992/93. Warehouse charges for outhandling or shipping services averaged \$6.24 per bale during 1992/93, compared with \$5.92 per bale a year earlier.

For more information, call Edward H. Glade, Jr., (202) 219-0840, or write: Commodity Economics Division, Economic Research Service, U.S. Department of Agriculture, Room 1034, 1301 New York Avenue, NW., Washington, DC 20005-4788.

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